



IOM International Organization for Migration

**EXECUTIVE SUMMARY**  
**INTERNAL AUDIT REPORT**  
**IOM Dublin**  
**(conducted remotely)**  
**IE202001**  
**4 – 14 August 2020**

**Issued by the Office of the Inspector General**

**Report on the Audit of IOM Dublin**  
**Executive Summary**  
**Audit File No. IE202001**

The IOM Office of the Inspector General (OIG) conducted a **remote** internal audit of the IOM Dublin, Ireland (the “Country Office”) from 4 to 14 August 2020. The internal audit aimed to assess adherence to financial and administrative procedures in conformity with IOM’s rules and regulations and the implementation of and compliance with its internal control system.

Specifically, the **remote** audit assessed the risk exposure and risk management of the Country Office’s activities, in order to ensure these are well understood and controlled by the local management and staff. Selected samples from the following areas were reviewed:

- a. Management and administration
- b. Personnel
- c. Finance and Accounting
- d. Procurement and Contracting
- e. Information and Technology
- f. Programme and Operations Management

The audit covered the activities of the Country Office from June 2018 to June 2020. The Country Office recorded the following expenses based on IOM financial records:

- June to December 2018 – USD 738,576 representing 0.11 per cent and 0.66 per cent of IOM Total and European Economic Area and Switzerland Region, respectively.
- 2019 – USD 1,414,834 representing 0.07 per cent and 0.46 per cent of IOM Total and European Economic Area and Switzerland Region, respectively.
- January to June 2020 – USD 542,060 representing 0.05 per cent and 0.37 per cent of IOM Total and European Economic Area and Switzerland Region, respectively.

Because of the concept of selective testing of data and inherent limitation of the **remote** internal audit work, there is no guarantee that all matters of significance to IOM will be discovered by the internal audit. It is the responsibility of local management of the Country Office to establish and implement internal control systems to assure the achievement of IOM’s objectives in operational effectiveness and efficiency, reliable financial reporting and compliance with relevant laws, regulations, and policies. It is also the responsibility of local management to determine whether the areas the internal audit covered, and the extent of verification or other checking included are adequate for local management’s purposes. Had additional procedures been performed, other matters might have come to internal audit attention that would have been reported.

The internal audit was conducted in accordance with the Charter of the Office of the Inspector General and in general conformance with the *International Standards for the Professional Practice of Internal Auditing*.

## Overall audit rating

OIG assessed the Office as **Partially Effective, some improvements needed**, which means few significant issue(s), or some moderate issues noted. Internal controls, governance, and risk management practices are adequately designed and well implemented, but a limited number of issues were identified that may present a moderate risk to the achievement of the objectives. *(Indicatively, no very high-risk issues)*

This rating was mainly due to weaknesses noted in the following areas:

1. Human resources administration
2. Bank management
3. Asylum, migration, and integration fund
4. Ineligible costs
5. Delegation of authority
6. Procurement process
7. Contract administration
8. Donor reporting

**Key recommendations: Total = 39; High Priority = 8; Medium Priority = 22; Low Priority =9**

### High Priority Recommendations

Prompt action is required within three months to ensure that IOM will not be adversely affected in its ability to achieve its strategic and operational objectives.

The 8 High Priority recommendations are presented below:

- One (1) recommendation for Personnel, 3 recommendations each for Procurement and Contracting and 1 recommendation for Programme and Operations Management. These recommendations aim to ensure that the assets of IOM are properly safeguarded, staff welfare is secured and that IOM operations are effective and efficient.
  - Address the weaknesses in human resources administration including deviations from IOM standard operating procedures.
  - Develop a comprehensive delegation of authority matrix to include all relevant processes.
  - Improve the current procurement practices and ensure compliance and alignment with IOM guidelines.
  - Coordinate with relevant offices and escalate/discuss challenges encountered, for proper guidance and implementation of IOM policies and procedures on contracting.
  - The Country Office should enhance its current donor reporting management practices to ensure timely, accurate and consistent narrative and financial reports are maintained.
- Three (3) recommendations on Finance and Accounting are directed towards the enhancement of the reliability and integrity of the Country Office's financial and operational information.
  - Review roles assigned in the system along with the job responsibilities vis a vis the e-banking roles to identify incompatible duties.

- Assess the Country Office's compliance with the Asylum, Migration and Integration Fund rules to eliminate or minimize the risk of having ineligible costs and identify provisions requiring clarifications.
- Coordinate with relevant offices to discuss and decide how to cover the potential ineligible costs in case donor refuses to reconsider.

There are 22 Medium priority recommendations consisting of 5 recommendations in Management and Administration, 1 recommendation in Personnel, 6 in Finance and Accounting, 4 recommendations in Procurement and Contracting, 1 recommendation in Information Technology, and five 5 recommendation in Programme and Operations Management, which need to be addressed by the Country Office within one year to ensure that such weaknesses in controls will not moderately affect the Country Office's ability to achieve its entity or process objectives.

Low priority recommendations (not included in this Executive Summary) have been discussed directly with management and actions have been initiated to address them.

### **Management comments and action plans**

Of the 39 recommendations 5 were closed and implemented at the time of publication of this executive summary. Comments and/or additional information provided have been incorporated in the report, where appropriate.

This report is intended solely for information and should not be used for any other purpose.

**International Organization for Migration  
Office of the Inspector General**

**I. About the Country Office**

The main office is located in Dublin, Ireland. As of 30 June 2020, the Country Office has 13 personnel categorized into: 1 official, 11 staff and 1 non-staff. The Country Office recorded the following expenses based on IOM financial records for the following periods:

- June to December 2018 – USD 738,576 representing 0.11 per cent and 0.66 per cent of IOM Total and European Economic Area and Switzerland Region, respectively.
- 2019 – USD 1,414,834 representing 0.07 per cent and 0.46 per cent of IOM Total and European Economic Area and Switzerland Region, respectively.
- January to June 2020 – USD 542,060 representing 0.05 per cent and 0.37 per cent of IOM Total and European Economic Area and Switzerland Region, respectively.

The Country Office has a total portfolio of 29 projects and total budget of USD 3,918,658.64. The top 2 projects by type:

- 6 Projects for Return and Reintegration Assistance for Migrants amounting to USD 3,156,754.63 or 80.56 per cent of the budget.
- 2 Projects on Resettlement Assistance amounting to USD 215,838.64.06 or 5.51 per cent of the budget.

**II. Scope of the Audit**

**1. Objective of the Audit**

The *remote* internal audit was conducted in accordance with the Charter of the Office of the Inspector General and in general conformance with the *International Standards for the Professional Practice of Internal Auditing*. The focus of the audit was adherence to financial and administrative procedures in conformity with IOM's rules and regulations and the implementation of and compliance with its internal control system.

**2. Scope and Methodology**

In compliance with Internal Audit standards, attention was paid to the assessment of risk exposure and the risk management of the Country Office activities in order to ensure that these are well understood and controlled by the local management and staff.

Recommendations made during the internal audit fieldwork and in the report aim to equip the local management and staff to review, evaluate and improve their own internal control and risk management systems.

### III. Audit Conclusions

#### 1. Overall Audit Rating

OIG assessed the Office as **Partially Effective, some improvements needed**, which means few significant issue(s), or some moderate issues noted. Internal controls, governance, and risk management practices are adequately designed and well implemented, but a limited number of issues were identified that may present a moderate risk to the achievement of the objectives.

### IV. Key Findings and High Priority Recommendations

#### 1. Human resources administration

Contracts and personnel action form are manually prepared based on existing templates which are not in line with IOM policies. Further, there were discrepancies or inconsistencies involving the contract duration, dependency allowance or salary which could have been avoided if the contracts and personnel action forms were generated from the system.

High Priority Recommendation:

- Address the weaknesses in human resources administration including deviations from IOM standard operating procedures.

#### 2. Bank management

Existing bank management practices and e-banking access or role assignment in the systems disclosed internal control gaps which may compromise the integrity of bank payment transactions putting the Country Office at risk.

High Priority Recommendation:

- Review roles assigned in the system along with the job responsibilities vis a vis the e-banking roles to identify incompatible duties.

#### 3. Asylum, Migration, and Integration Fund

Certain rules were either not fully assessed or complied by the Country Office and that there are also Country Office practices which are not supported by Asylum, Migration, and Integration Fund rules.

High Priority Recommendation:

- Assess Country Office's compliance with the Asylum, Migration, and Integration Fund rules to eliminate or minimize the risk of having ineligible costs and identify provisions requiring clarifications.

#### 4. Ineligible expenses

Terminal emoluments and certain expenses were declared ineligible under Asylum, Migration, and Integration Fund rules due to incompatibility with IOM's operational processing.

It is acknowledged that the non-eligibility of terminal emoluments is an issue that impacts IOM globally and is related to the views/policies of specific donors that may be conflicting with IOM rules/policies.

High Priority Recommendation:

- Coordinate with relevant offices to discuss and decide how to cover the potential ineligible costs in case donor refuses to reconsider.

5. Delegation of Authority

The current delegation of authority was prepared for the purposes and requirements of the new online purchase requisition form and is still a work in progress.

High Priority Recommendation:

- Develop a comprehensive delegation of authority matrix to include all relevant processes.

6. Procurement process

Procurement functions are centralized with the Finance/Admin Assistant who is concurrently responsible for asset management on top of his finance duties and responsibilities.

High Priority Recommendation:

- Improve the current procurement practices and ensure compliance and alignment with IOM guidelines.

7. Contract administration

There are delays in signing donor agreements, which impacts not just the contracting of service providers but activation of project ID in the system.

High Priority Recommendation:

- Coordinate with relevant offices and escalate/discuss challenges encountered, for proper guidance and implementation of IOM policies and procedures on contracting.

8. Donor reporting

The Country Office does not have a consistent mechanism to track all donor reports due for submission.

High Priority Recommendation:

- The Country Office should enhance its current donor reporting management practices to ensure timely, accurate and consistent narrative and financial reports are maintained.

*Management agreed with the recommendations and is implementing them.*

## ANNEXES

### Definitions

#### IG Opinion

IG opinion on the overall adequacy of the internal controls, governance and management processes, based on the number of audit findings and their risk levels:

<b>Descriptor</b>	<b>Guide</b>
<b>Effective</b>	No significant and/or material issue(s), or few moderate/minor issues noted. Internal controls, governance and risk management processes are adequately designed, well implemented, and effective, to provide reasonable assurance that the objectives will be met.
<b>Partially Effective, Some improvements needed</b>	Few significant issue(s), or some moderate issues noted. Internal controls, governance and risk management practices are adequately designed and well implemented, but a limited number of issues were identified that may present a moderate risk to the achievement of the objectives.
<b>Partially Effective, Major improvements needed</b>	Significant and/or material issues noted. Internal controls, governance and risk management practices are generally implemented, but have some weaknesses in design or operating effectiveness such that, until they are addressed, there is no reasonable assurance that the objectives are likely to be met.
<b>Ineffective</b>	Multiple significant and/or (a) material issue(s) noted. Internal controls, governance and risk management processes are not adequately designed and/or are not generally effective. The nature of these issues is such that the achievement of objectives is seriously compromised.



## Audit Recommendations – Priorities

The following internal audit rating based on **IOM Risk Management** framework has been slightly changed to crystalize the prioritization of internal audit findings according to their relative significance and impact to the process:

Rating	Definition	Suggested action	Suggested timeframe
<b>Very High</b>	Issue represents a control weakness which could cause <b>critical</b> disruption of the process or <b>critical</b> adverse effect on the ability to achieve entity or process objectives.	Where control effectiveness is not as high as 'fully effective', take action to reduce residual risk to 'high' or below.	Should be addressed in the short term, normally within 1 month.
<b>High</b>	Issue represents a control weakness which could have <b>major</b> adverse effect on the ability to achieve entity or process objectives.	Plan to deal with in keeping with the annual plan.	Should be addressed in the medium term, normally within 3 months.
<b>Medium</b>	Issue represents a control weakness which could have <b>moderate</b> adverse effect on the ability to achieve entity or process objectives.	Plan in keeping with all other priorities.	Should be addressed normally within 1 year.
<b>Low</b>	Issue represents a minor control weakness, with <b>minimal</b> but reportable impact on the ability to achieve entity or process objective.	Attend to when there is an opportunity to.	Discussed directly with management and actions to be initiated as part of management's ongoing control.